CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 13, 2003

S. 239
Trauma Care Systems Planning and Development Act of 2003

As ordered reported by the Senate Committee on Health, Education, Labor, and Pensions on February 12, 2003

SUMMARY

S. 239 would amend the Public Health Service Act to reauthorize the emergency services and trauma care programs administered by the Health Resources and Services Administration (HRSA). Those programs include grants to states for the development of trauma care systems, an emergency care residency training program, and a traumatic brain injury demonstration project. S. 239 also would require HRSA to contract for a study on trauma care and trauma research.

Assuming the appropriation of the necessary amounts (including annual adjustments for anticipated inflation), CBO estimates that implementing S. 239 would cost $4 million in 2004 and $71 million over the 2004-2008 period. The legislation would not affect direct spending or receipts.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 239 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By Fiscal Year, in Millions of Dollars					
	2003	2004	2005	2006	2007	2008
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Estimated Authorization Level [a]	13	10	10	0	0	0
Estimated Outlays	10	11	10	7	2	1
Proposed Changes [b]						
Estimated Authorization Level	0	13	13	23	23	24
Estimated Outlays	0	4	10	15	20	22
Spending Under S. 239						
Estimated Authorization Level [a]	13	23	23	23	23	24
Estimated Outlays	10	15	20	22	23	23

a. The 2003 level is the amount appropriated for that year for the Trauma/Emergency Medical Systems program.

b. Including adjustments for anticipated inflation, the estimated outlay changes would total $71 million over the 2004-2008 period. Without such adjustments, the five-year total would be $68 million.

BASIS OF ESTIMATE

S. 239 would reauthorize three trauma-related programs and would require HRSA to contract for a study on the current state of trauma care. Assuming the appropriation of the necessary amounts, CBO estimates that implementing S. 239 would cost $4 million in 2004 and $71 million over the 2004-2008 period.

HRSA currently administers grants to states for the planning, development, and improvement of trauma centers and systems and maintains a clearinghouse on trauma care. S. 239 would authorize the appropriation of $12 million in 2004 and such sums as necessary through 2008 for those activities.

The planning grant part of that program provides federal matching payments to funds spent by states. Under current law, the federal government does not require contribution of state funds in the first year, but requires a matching payment of $1 for every $1 of state spending in the second year, and a $3 for every $1 subsequently. Under the bill, states would receive grants without the contribution of their own funds for the first two years. In the third year, the federal government would provide a matching payment of $1 for every $1 of state spending. In subsequent years, the federal government would provide a matching payment of $1 for every $2 of state spending.

State participation under the current, less-generous program is very high. States in 2002 were not required to contribute any matching funds, and used grant monies from HRSA to do needs assessments and to plan for future uses of grant money. Although states will have to contribute $1 for every $1 they receive in federal grants under current law in 2003, HRSA believes that state participation in 2003 will be similar to the level in 2002. Since the bill would provide for a more-generous program (i.e., lower state-matching requirements), we expect that participation would remain high under S. 239.

The authorization level for 2004 under S. 239 for this program would be almost four times higher than the 2003 appropriation level of $3.5 million. Based on current state spending for the planning grant program and on discussions with HRSA about strong interest by states for participation in this program, CBO estimates that state contributions toward these grants would be sufficient to obligate the proposed level of appropriation in S. 239. Based on historical spending patterns for this program, CBO estimates that implementing this provision would cost a little less than $4 million in 2004 and $48 million over the 2004-2008 period.

S. 239 also would reauthorize a residency training program in emergency medicine for the 2004-2008 period. The bill would authorize $400,000 each year for grants to public and private nonprofit entities for the development of residency programs with an emphasis on treatment and referral of domestic violence cases. CBO estimates that implementing this provision would cost $2 million over the 2004-2008 period.

Under current law, HRSA is administering a demonstration project that provides grants to states to improve access to health and other services in brain injury cases. S. 239 would reauthorize this program and remove its designation as a demonstration project. The bill would authorize such sums as necessary. Based on historical spending for the demonstration program and assuming the appropriation of the necessary amounts, CBO estimates that implementing this provision would cost $3 million in 2006 and $20 million over the 2006-2008 period. (This provision would have no effect on discretionary spending in 2004 or 2005 because the program is authorized through 2005 under current law).

S. 239 would require the Secretary of Health and Human Services to contract with the Institutes of Medicine or a similar entity to conduct a study on trauma care. The bill would authorize the appropriation of $750,000 in both 2004 and 2005. Based on spending for similar activities, CBO estimates that implementing this provision would cost $1.5 million over the 2004-2006 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

The bill contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would reauthorize and increase authorized funding for a grant program designed to improve the quality of trauma care systems. States that choose to apply for those grants would have to provide matching funds, but any costs they incur would be voluntary.

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